Market mechanism for sale price of NG from KG basin

2526.SHRI JAI PRAKASH NARAYAN SINGH:
SHRI NAND KISHORE YADAV:
SHRI VIRENDRA BHATIA:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the only real gas price discovery for KG basin was NTPC's international tender, wherein the producer had quoted $2.34 per mmbtu as the selling price;

(b) whether any one till date has questioned the integrity of the tendering process;

(c) if not why Government has chosen to subvert the market mechanism and fix its own prices at $4.20 per mmbtu instead of $2.34 per mmbtu as tendered by the producer; and

(d) the action being proposed by Government to keep the price of natural gas low, so that cost of production of power and fertilizer used by the common man is low?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (d) Under the Production Sharing Contract (PSC), the producer/ contractor is required to discover an arms length price to the benefits of parties to the contract. As per the PSC, the formula or basis on which the prices shall be determined shall be approved by the Government. The Empowered Group of Ministers (EGoM) approved a price formula for the KG D6 gas, based on which the current gas price has been worked out at US$ 4.20 per mmbtu at a crude price greater or equal to US $ 60 per barrel.

The EGoM, while approving the price formula took into account the prices obtained by the producer / contractor from the market through a tendering process. It also considered the interest of various stakeholders including those in the Power and Fertilizer sectors.

Training cum research centre for petroleum and natural gas at Guwahati

2527.SHRI SILVIUS CONDPAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state the present position of the proposed establishment of training cum research centre for petroleum and natural gas at Khanapara in Guwahati, Assam?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): There is no such project for establishing Training-cum-Research Centre for petroleum and natural gas at Khanapara in Guwahati, Assam. However, there is a proposal under consideration for establishing Assam Centre of the Rajiv Gandhi Institute of Petroleum & Technology, Rai Barely, UP.